

**AGENDA**  
**EXECUTIVE FINANCE COMMITTEE**  
July 27, 2016 at 1:30 P.M.

**Location:** Treasury Conference Room, KC Admin. Bldg., Room 610 (6<sup>th</sup> Floor)

***Committee Members: Councilmember Dave Upthegrove, Chair, Dwight Dively, Director PSB; Ken Guy, Director FBOD; Caroline Whalen, County Administrative Officer***

***Staff: Scott Matheson, Treasury Operations Manager; Mike Smith, Chief Investment Officer; Christine Denis, Credit Analyst; Manny Cristobal, Financial Accounting Supervisor***

**AGENDA ITEMS**

1. **Action:** Approval of Minutes of the June 22, 2016 Executive Finance Committee meeting (page 2)

2. **Briefing:** Quarterly portfolio review of the King County Investment Pool by PFM (Handout)  
*John W. Molloy, CFA, Managing Director, PFM*

3. **Briefing:** June 2016 Investment Summary

- Issuer Diversification , Credit Exposure and Compliance Report (page 3)
- King County Investment Pool Yield & Duration versus Custom Benchmark (page 4)
- Detailed Transaction Report - Investment Activity Summary (page 5)
- King County Investment Pool Asset Allocation (page 6)
- King County Investment Pool Maturity Distribution (page 7)
- Investment Performance Review & Impaired Pool Summary (pages 8-16)
- Interest Rate Summary (page 17)

*Mike Smith, Chief Investment Officer*

4. **Action:** Committee's direction for investment of idle cash balances of specific County funds not needed for immediate expenditure.

**Staff Recommendation:** Direct the Treasury Section to target the maximum average duration of the King County Investment Pool at the 0.8 to 1.3 year range.

*Mike Smith, Chief Investment Officer*

5. **Briefing:** Interfund Borrowing for June 2016 (page 18)

- Interfund Interest Report – County Tier 2 Funds
- Pooled Tier 1 County Funds with Negative Cash Balances
- Excluded County Funds with Negative Balances – Tier 2 Funds Not Paying Interest

*Manny Cristobal, Financial Accounting Supervisor*

- Interfund Loans Among District & Non-County Funds (page 19)
- Interfund Borrowings – EFC Approved Loans (page 20)

*Mike Smith, Chief Investment Officer*

**OTHER BUSINESS**

**ADJOURNMENT**

**MINUTES**  
**EXECUTIVE FINANCE COMMITTEE**  
**June 22, 2016**

The Executive Finance Committee (EFC) Meeting was held June 22, 2016 at 1:30 and adjourned at 1:45 p.m.

**Members Present**

Patrick Hamacher (for  
Dave Upthegrove)  
Tom Koney (for  
Caroline Whalen)  
Ken Guy

**Others Present**

Manny Cristobal  
Jeff Muhm  
Dan Kaplan, DNRP/IPAC

**Others Present -  
Continued**

Mike Smith  
Robert Payne, IPAC  
Jenifer Merkel

**Members Absent**

Dave Upthegrove  
Caroline Whalen  
Dwight Dively

**ACTION ITEMS**

1. **Minutes** – The Committee unanimously approved the Minutes of the May 25, 2016 Executive Finance Committee meeting.
2. **Investment Direction** – The Committee unanimously approved the Treasury recommendation to maintain the maximum effective duration of the King County Investment Pool in the 0.8 to 1.3 year range.

**BRIEFINGS**

1. **May 2016 Investment Summary** – The Committee was provided a summary report showing the pool was in compliance with all its policies, reviewed investment performance, and monthly investment activity. In addition, the Committee reviewed the distribution of investment holdings by maturity, security type, credit rating, and issuer. The Committee was updated on the payments received from the VFNC Trust investment, and they were informed that the investment team was using Deutsche Bank Trust Company's monthly report to estimate a fair market price for VFNC Trust. Finally, the Committee was briefed on the current interest rate and economic environment.
2. **May 2016 Interfund Borrowing** – The Committee was provided a review of both County and non-County interfund borrowing. At the April meeting the Committee requested KCIT and Roads be contacted and asked whether all the interfund loans that they had outstanding were necessary. The Committee was informed that KCIT responded that the loan to Fund 3781 would no longer be necessary after July 2016. The Committee was also informed that a representative from Roads had not yet responded to the inquiry about their interfund loans, but that a response was expected before the next EFC meeting.

**OTHER BUSINESS**

None

  
\_\_\_\_\_  
Scott Matheson, Treasury Manager

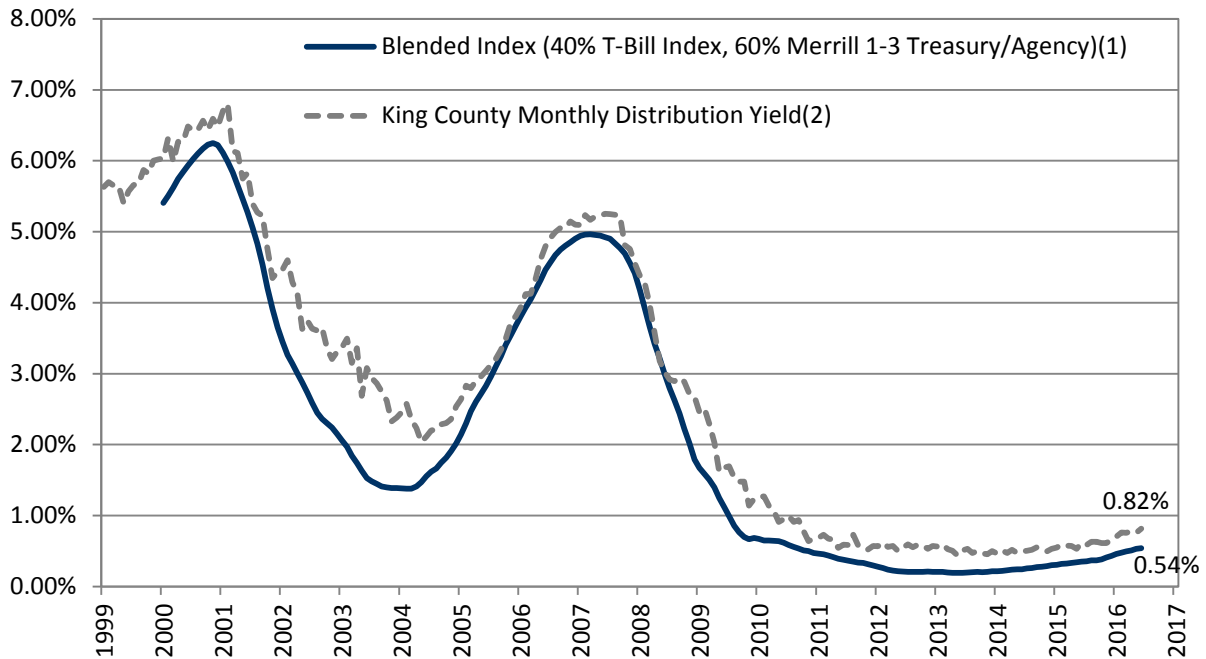
**KING COUNTY INVESTMENT POOL**  
**ISSUER DIVERSIFICATION, CREDIT EXPOSURE and COMPLIANCE REPORT**  
6/30/16

*The investment pool complies with all constraints listed in Schedule 1 of the investment policy*

	Book Value	% of Portfolio	Issuer Limits/Restrictions	Credit Agency Ratings			Minimum Credit Restrictions	Maximum Maturity
				S&P	Moody's	Fitch		
<b>U.S. TREASURIES</b>		<b>100%</b>	<b>NONE</b>				<b>NONE</b>	<b>5 Years</b>
U.S. T-Bills or T-Notes	\$2,226,620,250.66	35.8%	In Compliance	AA+	Aaa	AAA	In Compliance	In Compliance
<b>U.S. AGENCIES</b>		<b>100%</b>	<b>35% per agency across investment type</b>				<b>NONE</b>	<b>5 Years</b>
Federal Farm Credit Bank (FFCB)	\$848,749,831.00	31.6%	In Compliance					
Federal National Mortgage Association (FNMA)	\$400,126,261.98	13.7%	In Compliance	AA+	Aaa	AAA	In Compliance	In Compliance
Federal Home Loan Bank (FHLB)	\$336,500,053.54	6.4%	In Compliance	AA+	Aaa	AAA	In Compliance	In Compliance
Federal Home Loan Mortgage Corporation (FHLMC)	\$375,561,692.77	5.4%	In Compliance	AA+	Aaa	AAA	In Compliance	In Compliance
<b>U.S. AGENCY MORTGAGE BACKED SECURITIES</b>		<b>Not to exceed 25%</b>	<b>35% per agency</b>				<b>NONE</b>	<b>5 Year Average Live</b>
CMO Agencies FNMA	\$6,213,441.56	0.1%	In Compliance	AA+	Aaa	AAA	In Compliance	In Compliance
<b>MUNICIPAL BONDS - GENERAL OBLIGATIONS</b>		<b>Not to exceed 20%</b>	<b>Not to exceed 5%</b>				<b>A or better</b>	<b>5 Years</b>
		0.0%	In Compliance					
<b>REPURCHASE AGREEMENTS</b>		<b>100.0%</b>	<b>Not to exceed 25% per dealer</b>				<b>A1/P1/F1<sup>(1)</sup>(2)</b>	<b>60 Days</b>
Wells Fargo Securities, Inc. Tri-party Repo	\$143,000,000.00	2.3%	In Compliance	A-1+	N/A	N/A	In Compliance	In Compliance
<b>REVERSE REPURCHASE AGREEMENTS</b>		<b>Not to exceed 20%</b>	<b>Not to exceed 5% per dealer</b>				<b>A1/P1/F1<sup>(1)</sup></b>	<b>6 Months</b>
		0.0%	In Compliance					
<b>LOCAL GOVERNMENT INVESTMENT POOL</b>		<b>Not to exceed 25%</b>	<b>State of WA LGIP only</b>				<b>NONE</b>	<b>N/A</b>
Washington State Treasurer's LGIP	\$533,001,668.65	8.6%	In Compliance	N/A	N/A	N/A		
<b>BANKER'S ACCEPTANCES</b>		<b>Not to exceed 25%</b>	<b>5% per issuer across investment type</b>				<b>A1/P1/F1<sup>(3)</sup></b>	<b>180 Days</b>
		0.0%	In Compliance					
<b>OVERNIGHT DEPOSITS</b>		<b>100%</b>	<b>NONE</b>				<b>COLLATERALIZED</b>	
		0.4%						
US Bank	\$16,660,095.85	0.3%						
Key Bank	\$5,658,041.18	0.1%						
Bank of America	\$1,822,653.82	0.0%						
<b>CERTIFICATES OF DEPOSIT</b>		<b>Not to exceed 25%</b>	<b>5% per issuer across investment type</b>				<b>NONE</b>	<b>1 Year</b>
		0.0%	In Compliance					
<b>COMMERCIAL PAPER</b>		<b>Not to exceed 25%</b>	<b>5% per issuer across investment type</b>				<b>A1/P1/F1, If &gt;100 days A or better</b>	<b>270 Days</b>
		7.2%	In Compliance					
APPLE INC	\$199,970,000.00	3.2%	In Compliance	A-1+	P-1	NR	In Compliance	In Compliance
MICROSOFT	\$49,963,250.00	0.8%	In Compliance	A-1+	P-1	F1+	In Compliance	In Compliance
UNITED PARCEL SERVICE	\$99,759,875.00	1.6%	In Compliance	A-1	P-1	NR	In Compliance	In Compliance
BANK OF NOVA SCOTIA	\$99,510,625.01	1.6%	In Compliance	A-1	P-1	F1+	In Compliance	In Compliance
<b>BANK CORPORATE NOTES</b>		<b>Not to exceed 20%</b>	<b>5% per issuer across investment type</b>				<b>A or better<sup>(3)</sup></b>	<b>5 Years</b>
		14.0%	In Compliance					
ROYAL BANK OF CANADA	\$161,086,549.33	2.6%	In Compliance	AA-	Aa3	AA	In Compliance	In Compliance
TORONTO DOMINION	\$126,554,119.49	2.0%	In Compliance	AA-	Aa1	AA-	In Compliance	In Compliance
US BANK N.A.	\$123,935,263.48	2.0%	In Compliance	AA-	A1	AA	In Compliance	In Compliance
BANK OF AMERICA	\$118,792,779.80	1.9%	In Compliance	A	A1	A+	In Compliance	In Compliance
BANK OF NOVA SCOTIA	\$93,148,432.50	1.5%	In Compliance	A+	Aa3	AA-	In Compliance	In Compliance
PNC BANK	\$167,335,354.90	2.7%	In Compliance	A	A2	A+	In Compliance	In Compliance
WELLS FARGO BANK N.A. (SENIOR)	\$20,094,092.26	0.3%	In Compliance	AA-	Aa2	AA	In Compliance	In Compliance
BANK OF MONTREAL	\$50,966,538.12	0.8%	In Compliance	A+	Aa3	AA-	In Compliance	In Compliance
CANADIAN IMPERIAL BANK	\$10,002,050.79	0.2%	In Compliance	A+	Aa3	AA-	In Compliance	In Compliance
	\$6,215,032,921.69	100.0%						
<b>ADDITIONAL PORTFOLIO LEVEL REQUIREMENTS</b>	<b>Actual</b>	<b>Status</b>						
Effective Duration Less Than 1.5 Years	0.907	In Compliance						
40% of Portfolio Value 12 Months or Less	61.1%	In Compliance						
Corporate Exposure Not Greater Than 50%	21.3%	In Compliance						

(1) Must be rated by at least one nationally recognized rating agency  
(2) Also backed by collateral  
(3) Must be rated by at least 2 nationally recognized rating agencies

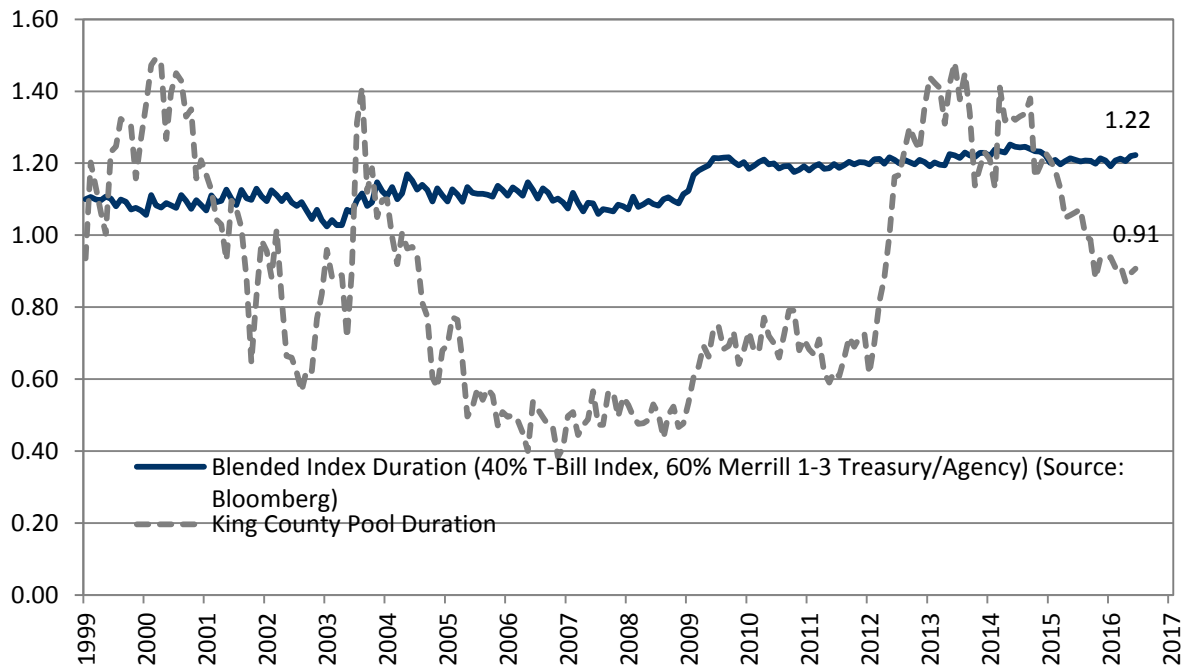
## King County Monthly Distribution Yield Versus Custom Index



(1) Calculation for index return adjusted from coupon return to the 12-month moving average of the index's effective yield. (Source: Bloomberg)

(2) Does not include negative distributions from the Impaired Pool

## King County Monthly Duration Versus Custom Index



# DETAIL TRANSACTION REPORT



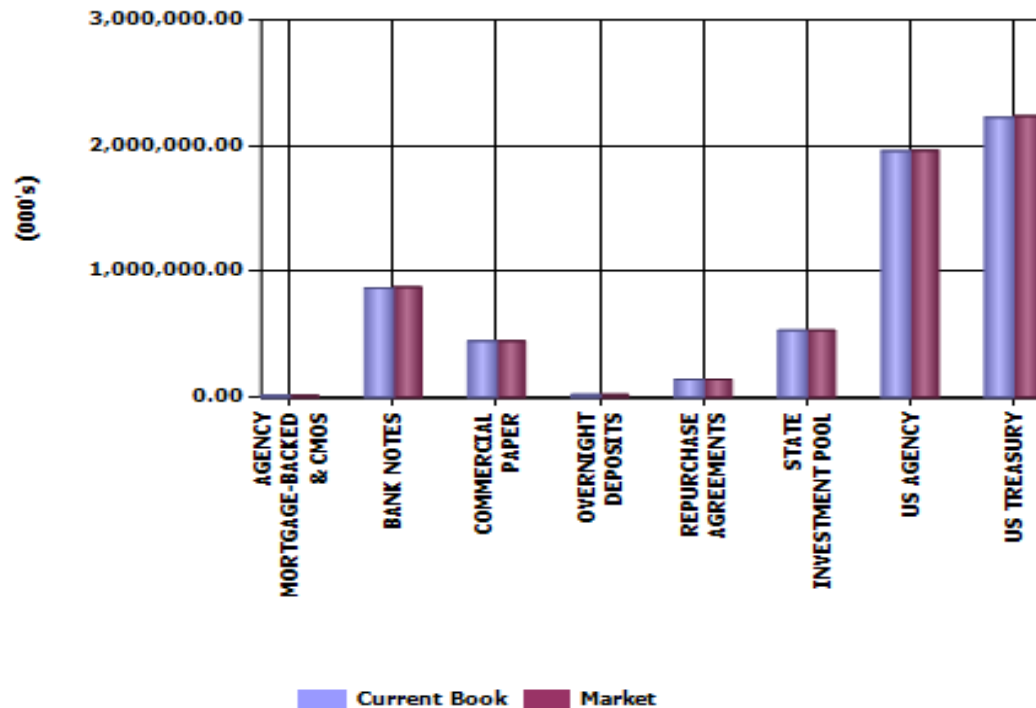
## June 2016 Transactions

DESCRIPTION	AVG RATE	AVG PAR VALUE					
PURCHASES							
REPO	.35	106,500,000.00					
DESCRIPTION	COUPON	MATURITY	SETTLED	BK YLD	PAR VALUE	BOOK VALUE	GAIN/(LOSS)
PURCHASES							
MICROSOFT	.000	08/24/2016	06/03/2016	.491	50,000,000.00	49,944,194.44	
PNC BANK	1.150	11/01/2016	06/10/2016	.666	18,882,000.00	18,910,323.00	
UPS	.000	12/01/2016	06/17/2016	.531	50,000,000.00	49,877,069.44	
UPS	.000	12/01/2016	06/20/2016	.602	50,000,000.00	49,863,333.33	
FHLMC CALLABLE Q	1.060	06/22/2018	06/22/2016	1.060	50,000,000.00	50,000,000.00	
FHLMC CALLABLE 1X	1.000	06/29/2018	06/29/2016	1.000	50,000,000.00	50,000,000.00	
LGIP	.494	07/01/2016	06/30/2016	.494	216,154.25	216,154.25	
TOTAL					269,098,154.25	268,811,074.46	0.00
SELLS							
US TREASURY NOTE	1.500	06/30/2016	06/20/2016	.923	50,000,000.00	50,007,727.20	9,850.93
US TREASURY NOTE	.625	07/15/2016	06/21/2016	.500	50,000,000.00	50,004,090.72	3,721.78
US TREASURY NOTE	1.500	07/31/2016	06/22/2016	.438	50,000,000.00	50,056,253.00	8,200.13
FFCB DISCOUNT NOTE	.000	07/21/2016	06/29/2016	.351	100,000,000.00	99,978,611.11	5,500.00
TOTAL					250,000,000.00	250,046,682.03	27,272.84

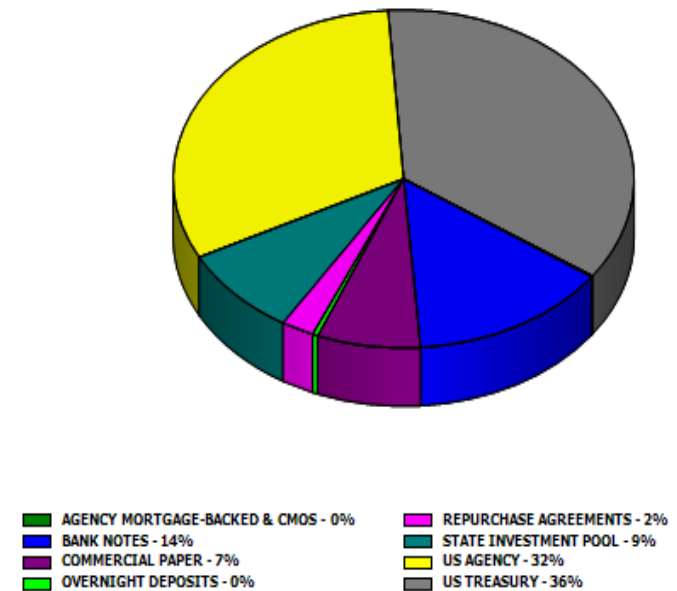


Assets (000's)	PAR	BOOK	MKT	MKT/BOOK	YIELD
AGENCY MORTGAGE-BACKED & CMOS	6,114.78	6,213.44	6,691.04	107.69%	4.34%
BANK NOTES	870,884.00	871,915.18	876,664.90	100.54%	1.35%
COMMERCIAL PAPER	450,000.00	449,203.75	449,308.54	100.02%	0.59%
OVERNIGHT DEPOSITS	24,140.79	24,140.79	24,140.79	100.00%	0.00%
REPURCHASE AGREEMENTS	143,000.00	143,000.00	143,000.00	100.00%	0.43%
STATE INVESTMENT POOL	533,001.67	533,001.67	533,001.67	100.00%	0.49%
US AGENCY	1,962,503.00	1,960,937.84	1,964,452.76	100.18%	0.68%
US TREASURY	2,225,000.00	2,226,620.25	2,236,830.80	100.46%	0.87%
<b>Totals (000's):</b>	<b>6,214,644.24</b>	<b>6,215,032.92</b>	<b>6,234,090.49</b>	<b>100.31%</b>	<b>0.82%</b>

## ASSET ALLOCATION



CURRENT PAR %



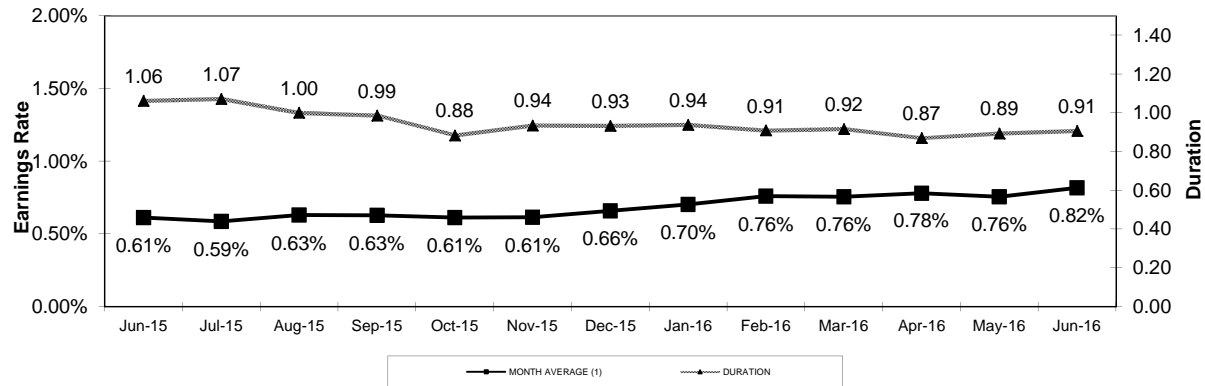
# KING COUNTY INVESTMENT POOL

## MATURITY DISTRIBUTION AS OF 06/30/2016

<u>CALL/MATURITY</u>	<u>DATE RANGE</u>	<u>NO OF INV</u>	<u>BOOK VALUE</u>	<u>%</u>	<u>CUM %</u>
0 TO 1 MONTHS	07/01/16 - 08/02/16	11	1,071,861,833.31	17.2%	17.2%
1 TO 3 MONTHS	08/03/16 - 09/30/16	14	717,366,178.70	11.5%	28.8%
3 TO 6 MONTHS	10/01/16 - 12/31/16	22	741,446,698.77	11.9%	40.7%
6 TO 12 MONTHS	01/01/17 - 06/30/17	26	1,264,808,427.40	20.4%	61.1%
12 TO 24 MONTHS	07/01/17 - 06/30/18	44	1,797,386,676.05	28.9%	90.0%
24 TO 36 MONTHS	07/01/18 - 06/30/19	11	450,273,766.05	7.2%	97.2%
36 TO ** MONTHS	07/01/19 -	9	171,889,341.41	2.8%	100.0%
GRAND TOTALS		137	6,215,032,921.69		

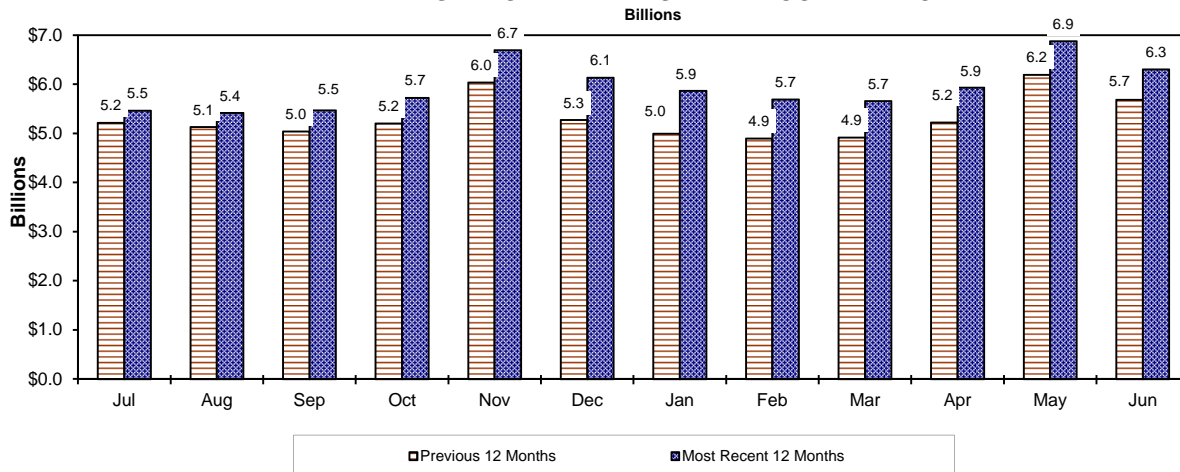
# KING COUNTY INVESTMENT POOL

## EARNINGS DISTRIBUTION RATE & EFFECTIVE DURATION



(1) Not adjusted yet for realized losses on commercial paper investments.

## AVERAGE MONTHLY INVESTMENT POOL BALANCE



## KC GENERAL FUND YTD INTEREST EARNINGS

June 30, 2016

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>DIFFERENCE</u>
YTD AVG BALANCE (millions)	\$191	\$204	\$13.6
YTD YIELD	0.53%	0.76%	0.23%
INTEREST DISTRIBUTION (\$)	\$504,662	\$777,269	\$272,607
AUTOMATIC INTEREST (\$)	\$0	\$0	\$0
<b>TOTAL INTEREST (\$)</b>	<b><u>\$504,662</u></b>	<b><u>\$777,269</u></b>	<b><u>\$272,607</u></b>

## YTD POOL FEE REVENUE

	<u>BUDGET</u>	<u>Collected <sup>(1)</sup></u>	<u>Potential Rebate</u>
DIRECT COST FEE DUE TO GF	\$300,000	\$675,509	\$375,509
DIRECT COST FEE TO FBOD	N/A	\$52,493	\$52,493
<b>TOTAL YTD DIRECT POOL FEES</b>	<b><u>300,000</u></b>	<b><u>728,002</u></b>	<b><u>\$428,002</u></b>
	<u>BUDGET</u>	<u>Actual</u>	<u>Difference</u>
CASH MGMT FEE TO GF	N/A	\$309,183	N/A
CASH MGMT FEE TO FBOD	N/A	\$5,198	N/A
<b>TOTAL YTD CASH MGMT FEES</b>	<b><u>N/A</u></b>	<b><u>314,381</u></b>	<b><u>N/A</u></b>

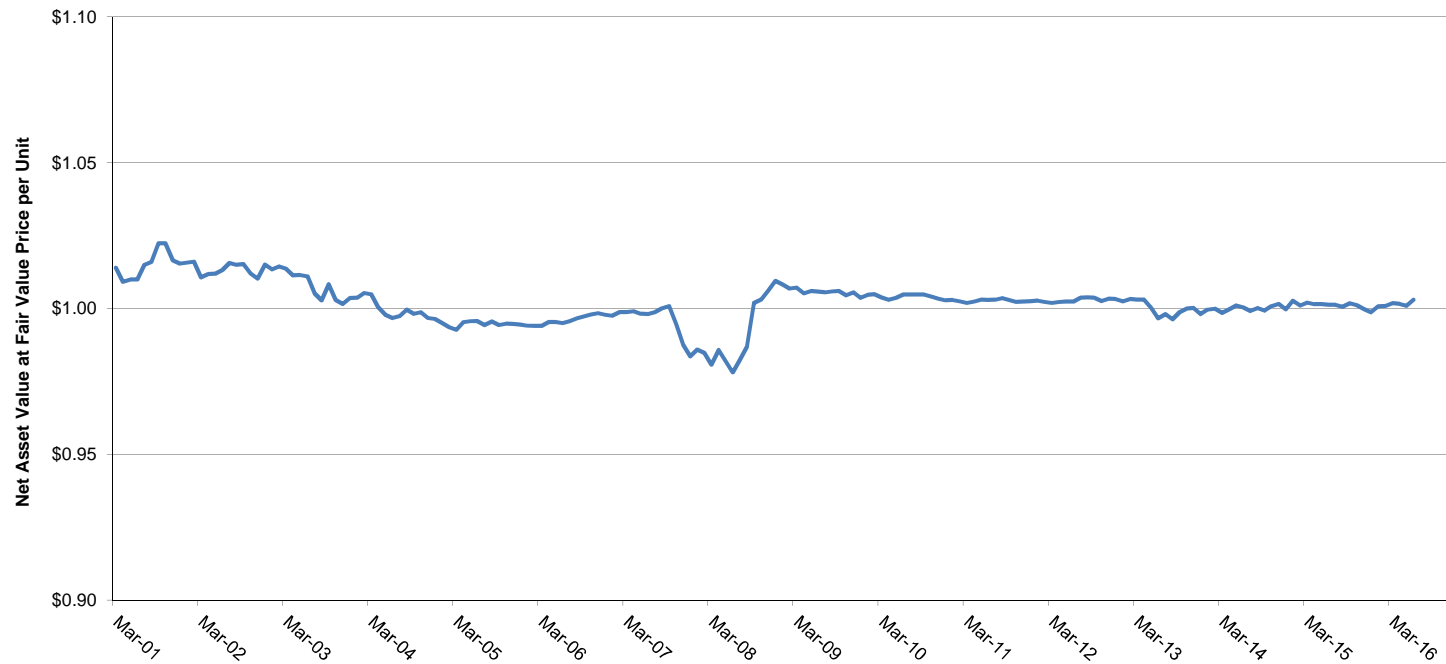
YTD TOTAL POOL  
DISTRIBUTION \$22,990,975

(1) Collecting 2.5 basis points for direct fees, but will rebate difference between collected and actual expenses after the fiscal year closes.

## King County Investment Pool Fair Value Report

	04/30/16	05/31/16	06/30/16
<b><u>Net Assets (1)</u></b>			
Net Assets held in trust for pool participants	<u>\$ 7,075,396,762.44</u>	<u>\$ 6,630,032,327.15</u>	<u>\$ 6,210,706,025.93</u>
Net assets consist of:			
Participant units outstanding (\$1.00 par)	\$ 7,064,151,300.24	\$ 6,623,806,106.57	\$ 6,191,648,458.82
Undistributed and unrealized gains(losses)	<u>\$ 11,245,462.20</u>	<u>\$ 6,226,220.58</u>	<u>\$ 19,057,567.11</u>
Net Assets	<u>\$ 7,075,396,762.44</u>	<u>\$ 6,630,032,327.15</u>	<u>\$ 6,210,706,025.93</u>
Total Pool -- Net asset value at fair value price per unit	<b><u>\$1.0016</u></b>	<b><u>\$1.0009</u></b>	<b><u>\$1.0031</u></b>

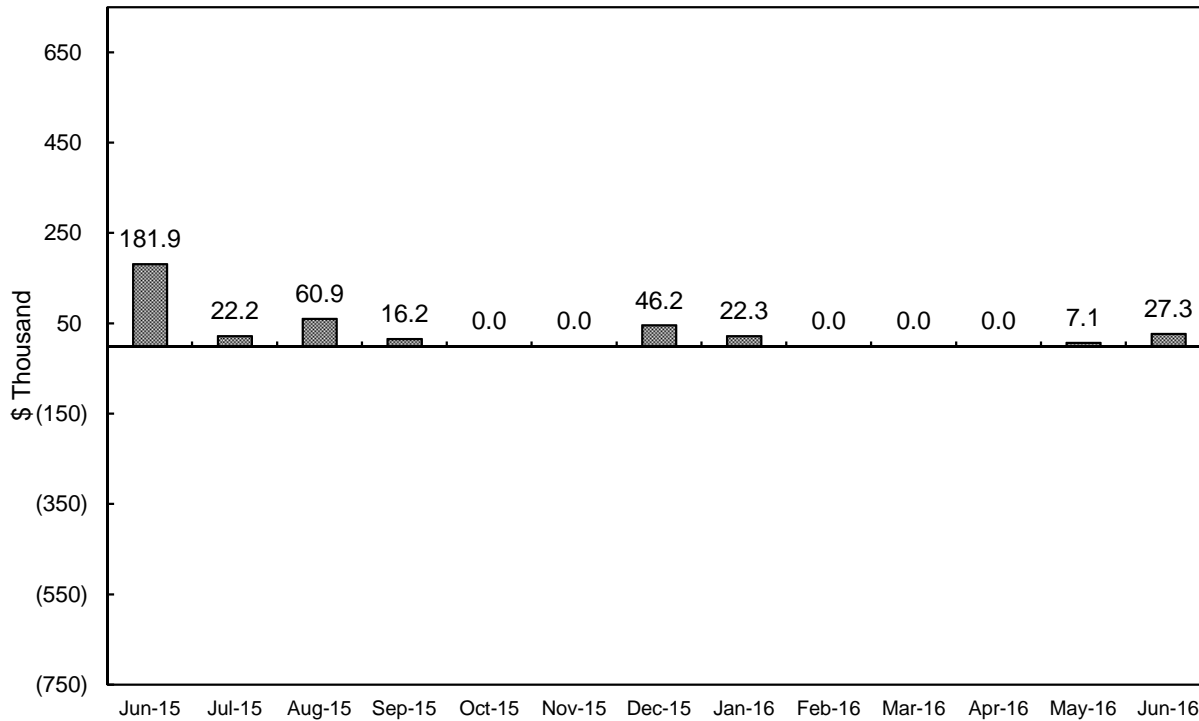
## King County Investment Pool History of Fair Value per Dollar Invested (1)



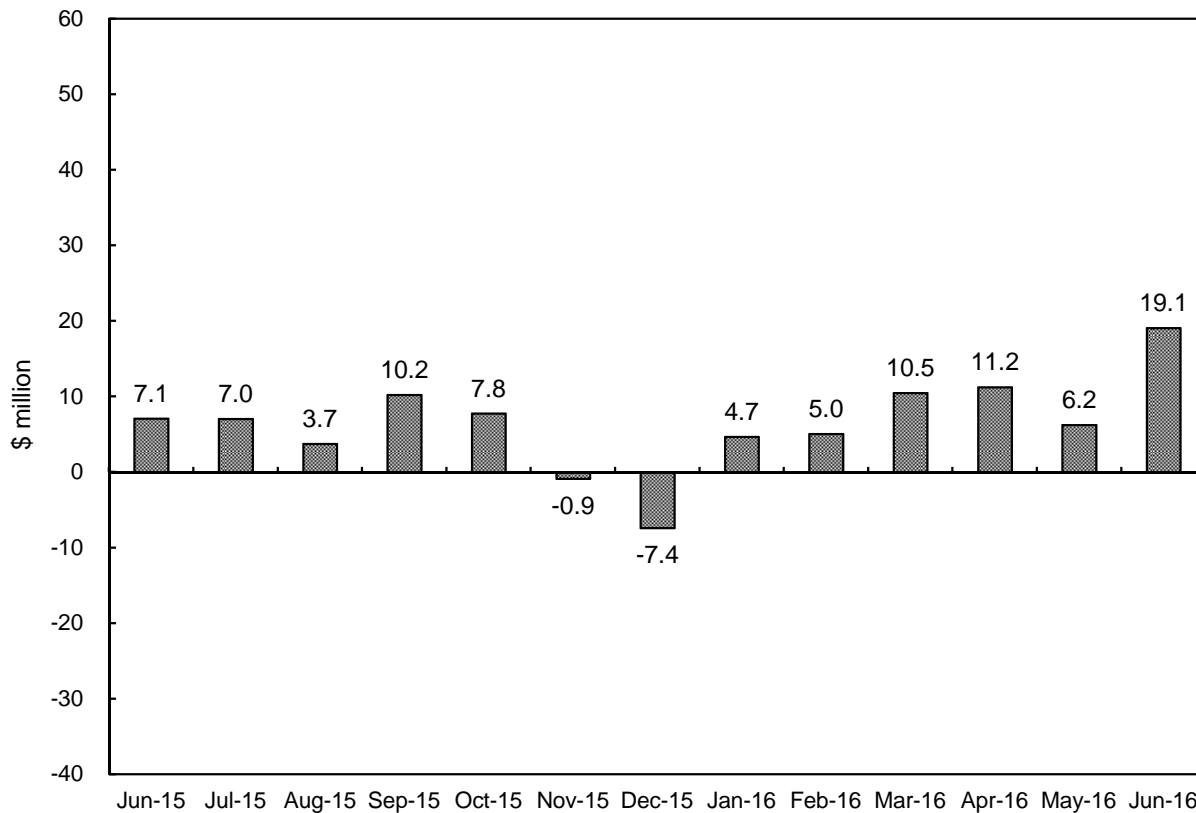
(1) Impaired securities were separated from main pool on 9/1/08

# GAIN / LOSS SUMMARY

## TOTAL REALIZED GAIN OR LOSS (1)



## NET UNREALIZED GAIN OR LOSS (TOTAL PORTFOLIO)



(1) Excludes gains/losses from impaired CP

KING COUNTY TREASURY OPERATIONS  
SEATTLE, WASHINGTON

P O R T F O L I O   D E T A I L   F I N A N C I A L   A N A L Y S I S  
AS OF   6/30/16

(MANFIN)

SORTING ORDER: MATD

PAGE:   1

RUN: 07/05/16   10:15:10

\*\* FIXED INCOME \*\*

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
<hr/>										
711	LOCAL GOVT INVESTM	.493609	.493609	07/01/16	100.000000	533,001,668.65	533,001,668.65	533,001,668.65	.00	2,630,943.67
1522	CASH-US BANK	.001000	.001000	07/01/16	100.000000	16,660,095.85	16,660,095.85	16,660,095.85	.00	166.60
1523	CASH-KEY BANK	.001000	.001000	07/01/16	100.000000	5,658,041.18	5,658,041.18	5,658,041.18	.00	56.58
1524	CASH-BOFA	.001000	.001000	07/01/16	100.000000	1,822,653.82	1,822,653.82	1,822,653.82	.00	18.23
2515	APPLE INC	.000000	.420392	07/01/16	100.000000	100,000,000.00	100,000,000.00	100,000,000.00	.00	420,392.35
2599	Wells Fargo Tri-Re	.430000	.430000	07/01/16	100.000000	143,000,000.00	143,000,000.00	143,000,000.00	.00	614,900.00
1576	Fannie Mae	.375000	.486095	07/05/16	100.000000	50,000,000.00	49,999,397.38	50,000,000.00	602.62	243,047.54
2380	FRE DISCOUNT NT	.000000	.310666	07/05/16	99.998000	86,730,000.00	86,727,012.63	86,728,265.40	1,252.77	269,440.72
2440	CAN IMPERIAL BK	1.350000	.908925	07/18/16	100.026000	10,000,000.00	10,002,050.79	10,002,600.00	549.21	90,892.52
2266	Royal BK Canada	2.300000	.680301	07/20/16	100.062000	25,000,000.00	25,020,913.01	25,015,500.00	-5,413.01	170,075.29
2539	APPLE INC	.000000	.450496	07/25/16	99.972667	100,000,000.00	99,970,000.00	99,972,667.00	2,667.00	450,495.55
1801	US TREASURY NOTE	1.500000	.557366	07/31/16	100.108000	50,000,000.00	50,038,427.91	50,054,000.00	15,572.09	278,682.90
2362	FFCB DISCOUNT NT	.000000	.320813	08/03/16	99.977000	44,000,000.00	43,987,093.33	43,989,880.00	2,786.67	141,157.60
2385	FFCB DISCOUNT NT	.000000	.361051	08/16/16	99.968000	100,000,000.00	99,954,000.00	99,968,000.00	14,000.00	361,050.66
2575	MICROSOFT CORP	.000000	.490548	08/24/16	99.938500	50,000,000.00	49,963,250.00	49,969,250.00	6,000.00	245,273.77
1365	FREDDIE MAC	2.000000	.668799	08/25/16	100.234000	25,000,000.00	25,049,367.35	25,058,500.00	9,132.65	167,199.70
1262	US TREASURY NB	1.000000	.871176	08/31/16	100.116000	25,000,000.00	25,005,259.43	25,029,000.00	23,740.57	217,794.09
1803	US TREASURY NOTE	1.000000	.606917	08/31/16	100.116000	50,000,000.00	50,032,480.33	50,058,000.00	25,519.67	303,458.26
2353	FFCB DISCOUNT NT	.000000	.341050	09/06/16	99.948000	90,000,000.00	89,943,050.00	89,953,200.00	10,150.00	306,945.05
2376	FFCB DISCOUNT NT	.000000	.391331	09/07/16	99.947000	50,000,000.00	49,963,166.67	49,973,500.00	10,333.33	195,665.59
2322	ROYAL BK CANADA	1.450000	.790026	09/09/16	100.134000	12,520,000.00	12,535,704.21	12,536,776.80	1,072.59	98,911.23
1973	US TREASURY NOTE	.875000	.579699	09/15/16	100.114000	50,000,000.00	50,030,475.30	50,057,000.00	26,524.70	289,849.72
2368	FFCB DISCOUNT NT	.000000	.351109	09/16/16	99.940000	71,000,000.00	70,946,848.61	70,957,400.00	10,551.39	249,287.68
2351	FFCB DISCOUNT NT	.000000	.341092	09/19/16	99.938000	65,000,000.00	64,950,888.89	64,959,700.00	8,811.11	221,709.84
2386	FFCB DISCOUNT NT	.000000	.401481	09/26/16	99.932000	35,000,000.00	34,966,166.67	34,976,200.00	10,033.33	140,518.36
1263	US TREASURY NB	1.000000	1.014087	09/30/16	100.161000	50,000,000.00	49,998,286.90	50,080,500.00	82,213.10	507,043.32
2229	PNC BANK NA	1.300000	.934383	09/03/16C	100.103000	19,868,000.00	19,881,412.64	19,888,464.04	7,051.40	185,643.30
2282	PNC BANK NA CALLAB	1.300000	1.012218	09/03/16C	100.103000	23,500,000.00	23,512,603.14	23,524,205.00	11,601.86	237,871.15
2367	FFCB DISCOUNT NT	.000000	.371340	10/12/16	99.897000	51,000,000.00	50,946,010.84	50,947,470.00	1,459.16	189,383.20
1974	US TREASURY NOTE	.625000	.630770	10/15/16	100.078000	25,000,000.00	24,999,583.71	25,019,500.00	19,916.29	157,692.38
2186	US TREASURY NOTE	.625000	.455557	10/15/16	100.078000	50,000,000.00	50,024,425.03	50,039,000.00	14,574.97	227,778.69
2273	TORONTO DOM BANK	2.375000	.887240	10/19/16	100.468000	8,000,000.00	8,035,435.20	8,037,440.00	2,004.80	70,979.20
2313	TORONTO DOM BANK	2.375000	.840369	10/19/16	100.468000	15,760,000.00	15,832,291.13	15,833,756.80	1,465.67	132,442.15
2372	FHLB DISCOUNT NT	.000000	.371389	10/27/16	99.882000	17,700,000.00	17,678,533.84	17,679,114.00	580.16	65,735.93
2581	PNC BANK NA CALLAB	1.150000	.764921	10/02/16C	100.036000	18,882,000.00	18,905,105.61	18,888,797.52	-16,308.09	144,432.37
2117	BANK OF AMERICA	1.125000	1.050048	11/14/16	100.060000	28,765,000.00	28,772,887.18	28,782,259.00	9,371.82	302,046.35
2139	BANK OF AMERICA	1.125000	1.053146	11/14/16	100.060000	4,900,000.00	4,901,287.99	4,902,940.00	1,652.01	51,604.14
1496	Fannie Mae	1.375000	.712951	11/15/16	100.345000	50,000,000.00	50,122,261.38	50,172,500.00	50,238.62	356,475.65
1802	US TREASURY NOTE	.875000	.727966	11/30/16	100.205000	50,000,000.00	50,030,217.08	50,102,500.00	72,282.92	363,983.16
2174	US TREASURY NOTE	.500000	.448250	11/30/16	100.054000	50,000,000.00	50,010,693.62	50,027,000.00	16,306.38	224,124.88
2506	Bank of Nova Scoti	.000000	.976419	12/01/16	99.732250	50,000,000.00	49,793,875.01	49,866,125.00	72,249.99	488,209.70
2587	UNITED PARCEL	.000000	.531306	12/01/16	99.732250	50,000,000.00	49,887,375.00	49,866,125.00	-21,250.00	265,653.15

KING COUNTY TREASURY OPERATIONS  
SEATTLE, WASHINGTON

PORTFOLIO DETAIL FINANCIAL ANALYSIS  
AS OF 6/30/16

(MANFIN)

PAGE: 2

SORTING ORDER: MATD

RUN: 07/05/16 10:15:10

\*\* FIXED INCOME \*\*

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
2588	UNITED PARCEL	.000000	.601645	12/01/16	99.732250	50,000,000.00	49,872,500.00	49,866,125.00	-6,375.00	300,822.25
2333	BANK NOVA SCOTIA	1.100000	.963820	12/13/16	100.106000	20,000,000.00	20,012,161.80	20,021,200.00	9,038.20	192,764.00
2379	BANK NOVA SCOTIA	1.100000	.789214	12/13/16	100.106000	18,186,000.00	18,211,286.30	18,205,277.16	-6,009.14	143,526.41
2175	US TREASURY NOTE	.625000	.464052	12/15/16	100.102000	50,000,000.00	50,036,544.36	50,051,000.00	14,455.64	232,026.09
1640	FHLE Note	.625000	.717911	12/28/16	100.078000	40,000,000.00	39,981,921.01	40,031,200.00	49,278.99	287,164.36
1963	US TREASURY NOTE	.875000	.779310	12/31/16	100.231000	50,000,000.00	50,023,656.08	50,115,500.00	91,843.92	389,654.98
2463	BANK OF MONTREAL	2.500000	1.062836	01/11/17	100.731000	10,000,000.00	10,075,700.30	10,073,100.00	-2,600.30	106,283.63
1795	US TREASURY NOTE	.750000	.771540	01/15/17	100.166000	50,000,000.00	49,994,222.33	50,083,000.00	88,777.67	385,770.20
2314	ROYAL BK CANADA	1.200000	1.046316	01/23/17	100.154000	7,730,000.00	7,736,613.51	7,741,904.20	5,290.69	80,880.22
2323	ROYAL BK CANADA	1.200000	1.076306	01/23/17	100.154000	1,697,000.00	1,698,167.64	1,699,613.38	1,445.74	18,264.92
2370	ROYAL BK CANADA	1.200000	.928965	01/23/17	100.154000	34,067,000.00	34,118,432.90	34,119,463.18	1,030.28	316,470.45
2538	Bank of Nova Scoti	.000000	.997406	01/23/17	99.536500	50,000,000.00	49,716,750.00	49,768,250.00	51,500.00	498,702.87
2534	PNC BANK NA CALLAB	1.125000	.838832	12/28/16C	100.086000	11,944,000.00	11,962,702.55	11,954,271.84	-8,430.71	100,190.14
2569	PNC BANK NA CALLAB	1.125000	.914321	12/28/16C	100.086000	42,675,000.00	42,724,787.50	42,711,700.50	-13,087.00	390,186.61
1497	Fannie Mae	1.250000	.756002	01/30/17	100.452000	50,000,000.00	50,141,620.95	50,226,000.00	84,379.05	378,000.93
1962	US TREASURY NOTE	.875000	.809510	01/31/17	100.249000	60,000,000.00	60,022,692.52	60,149,400.00	126,707.48	485,706.14
2227	BANK OF AMERICA	1.250000	1.188753	02/14/17	100.150000	40,000,000.00	40,014,979.71	40,060,000.00	45,020.29	475,501.23
1757	US TREASURY NOTE	.625000	.901704	02/15/17	100.108000	50,000,000.00	49,914,605.25	50,054,000.00	139,394.75	450,851.94
1756	US TREASURY NOTE	.875000	.922329	02/28/17	100.258000	50,000,000.00	49,984,553.73	50,129,000.00	144,446.27	461,164.33
2546	FFCB DISCOUNT NT	.000000	.592964	03/03/17	99.687000	140,000,000.00	139,437,861.10	139,561,800.00	123,938.90	830,149.60
2543	FHLE DISCOUNT NT	.000000	.613472	03/29/17	99.654000	150,000,000.00	149,311,208.33	149,481,000.00	169,791.67	920,207.87
1414	US TREASURY NOTE	1.000000	.712736	03/31/17	100.371000	50,000,000.00	50,105,519.47	50,185,500.00	79,980.53	356,368.14
2542	FFCB DISCOUNT NOTE	.000000	.623717	04/10/17	99.607000	100,000,000.00	99,512,611.11	99,607,000.00	94,388.89	623,716.66
1765	US TREASURY NOTE	.875000	.974227	04/30/17	100.304000	50,000,000.00	49,959,530.76	50,152,000.00	192,469.24	487,113.30
2263	TORONTO DOMINION B	1.125000	1.058958	05/02/17	100.084000	18,200,000.00	18,209,876.03	18,215,288.00	5,411.97	192,730.38
1766	US TREASURY NOTE	.625000	1.018173	05/31/17	100.090000	50,000,000.00	49,823,523.25	50,045,000.00	221,476.75	509,086.45
2424	US TREASURY NOTE	2.750000	.884130	05/31/17	102.012000	50,000,000.00	50,845,585.20	51,006,000.00	160,414.80	442,065.22
1609	FHLMC BULLET	1.000000	.977087	06/29/17	100.407000	23,778,000.00	23,783,289.79	23,874,776.46	91,486.67	232,331.75
1613	FHLMC BULLET	1.000000	.963425	06/29/17	100.407000	25,000,000.00	25,008,891.75	25,101,750.00	92,858.25	240,856.13
1734	US TREASURY NOTE	.750000	.950970	06/30/17	100.231000	50,000,000.00	49,901,553.44	50,115,500.00	213,946.56	475,485.12
2423	US TREASURY NOTE	2.500000	.923011	06/30/17	101.934000	50,000,000.00	50,779,492.20	50,967,000.00	187,507.80	461,505.26
2371	BANK OF MONTREAL C	1.300000	1.083873	06/14/17C	100.266000	5,560,000.00	5,571,869.44	5,574,789.60	2,920.16	60,263.35
1369	FREDDIE MAC CALLAB	1.000000	1.022914	07/25/14C	100.407000	50,000,000.00	49,990,322.52	50,203,500.00	213,177.48	511,456.96
1572	US Treasury Note	.500000	.595581	07/31/17	99.969000	50,000,000.00	49,949,001.04	49,984,500.00	35,498.96	297,790.25
1573	US Treasury Note	.625000	.610249	08/31/17	99.922000	50,000,000.00	50,008,457.73	49,961,000.00	-47,457.73	305,124.36
1745	US TREASURY NOTE	.625000	1.000148	08/31/17	99.922000	50,000,000.00	49,785,728.89	49,961,000.00	175,271.11	500,073.95
1628	Federal Farm Credi	1.125000	1.125000	09/05/17	100.542000	34,900,000.00	34,900,000.00	35,089,158.00	189,158.00	392,625.00
1406	FED HOME LN BANK	.750000	.916458	09/08/17	100.120000	18,980,000.00	18,943,358.90	19,002,776.00	59,417.10	173,943.73
1408	FED HOME LN BANK	.750000	.914838	09/08/17	100.120000	26,415,000.00	26,364,498.71	26,446,698.00	82,199.29	241,654.38
2191	US BANK NA OHIO CA	1.375000	1.087077	08/11/17C	100.503000	25,000,000.00	25,081,516.80	25,125,750.00	44,233.20	271,769.24
2240	US BANK NA CALLABL	1.375000	1.251635	08/11/17C	100.503000	15,000,000.00	15,020,946.52	15,075,450.00	54,503.48	187,745.25
1614	FFCB BULLET	1.550000	1.098833	09/18/17	101.117000	19,200,000.00	19,302,742.48	19,414,464.00	111,721.52	210,975.84

KING COUNTY TREASURY OPERATIONS  
SEATTLE, WASHINGTON

PORTFOLIO DETAIL FINANCIAL ANALYSIS  
AS OF 6/30/16

(MANFIN)

PAGE: 3

SORTING ORDER: MATD

RUN: 07/05/16 10:15:10

\*\* FIXED INCOME \*\*

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
1416	Fannie Mae Callabl	1.000000	1.002055	09/20/13C	100.471000	50,000,000.00	49,999,173.10	50,235,500.00	236,326.90	501,027.27
1724	US TREASURY NOTE	.625000	1.025357	09/30/17	100.094000	50,000,000.00	49,755,300.29	50,047,000.00	291,699.71	512,678.56
1744	US TREASURY NOTE	.625000	1.034441	09/30/17	100.094000	50,000,000.00	49,749,770.23	50,047,000.00	297,229.77	517,220.54
1615	FHLE BULLET	1.500000	1.134972	10/10/17	101.148000	32,950,000.00	33,099,601.71	33,328,266.00	228,664.29	373,973.38
2334	ROYAL BK CANADA	1.400000	1.403863	10/13/17	100.302000	15,000,000.00	14,999,248.60	15,045,300.00	46,051.40	210,579.45
1411	FANNIE MAE	.875000	.919048	10/26/17	100.348000	50,000,000.00	49,971,654.79	50,174,000.00	202,345.21	459,523.96
2318	US TREASURY NOTE	.875000	.893174	11/15/17	100.414000	50,000,000.00	49,987,604.70	50,207,000.00	219,395.30	446,587.06
2478	US Treasury Note	.625000	.802706	11/30/17	100.082000	100,000,000.00	99,750,714.11	100,082,000.00	331,285.89	802,706.40
2320	US TREASURY NOTE	1.000000	.906428	12/15/17	100.617000	50,000,000.00	50,067,158.90	50,308,500.00	241,341.10	453,214.00
2276	BANK NOVA SCOTIA C	1.375000	1.499982	11/18/17C	100.317000	25,000,000.00	24,955,212.14	25,079,250.00	124,037.86	374,995.62
1467	FANNIE MAE	.875000	.872335	12/20/17	100.353000	50,000,000.00	50,001,912.60	50,176,500.00	174,587.40	436,167.35
2321	US TREASURY NOTE	.875000	.931048	01/15/18	100.449000	50,000,000.00	49,957,359.44	50,224,500.00	267,140.56	465,524.21
2564	WELLS FARGO BANK	1.650000	1.343175	01/22/18	100.851000	20,000,000.00	20,094,092.26	20,170,200.00	76,107.74	268,634.99
2103	US Bank NA Callab	1.350000	1.312034	12/26/17C	100.374000	11,506,000.00	11,506,525.89	11,543,010.00	36,484.11	150,883.87
2120	US BANK NA OHIO CA	1.350000	1.248811	12/26/17C	100.374000	27,225,000.00	27,266,191.93	27,326,821.50	60,629.57	339,988.86
2180	US TREASURY NOTE	1.000000	.838724	02/15/18	100.656000	65,000,000.00	65,167,905.45	65,426,400.00	258,494.55	545,170.58
2382	US TREASURY NOTE	.750000	.883732	02/28/18	100.273000	50,000,000.00	49,890,072.55	50,136,500.00	246,427.45	441,865.77
2185	FED HOME LN BANK	1.375000	.994011	03/09/18	101.166000	50,800,000.00	51,120,931.04	51,392,328.00	271,396.96	504,957.77
2389	US Treasury Note	1.000000	.916246	03/15/18	100.688000	50,000,000.00	50,070,384.93	50,344,000.00	273,615.07	458,122.80
2164	BANK OF AMERICA	1.650000	1.518078	03/26/18	100.600000	25,000,000.00	25,055,661.38	25,150,000.00	94,338.62	379,519.53
2165	BANK OF AMERICA	1.650000	1.507939	03/26/18	100.600000	20,000,000.00	20,047,963.54	20,120,000.00	72,036.46	301,587.79
2531	US Treasury Note	.875000	.809877	03/31/18	100.488000	100,000,000.00	100,112,641.25	100,488,000.00	375,358.75	809,876.86
2264	BANK OF MONTREAL C	1.450000	1.593072	03/09/18C	100.476000	15,376,000.00	15,337,968.38	15,449,189.76	111,221.38	244,950.69
2390	US Treasury Note	.750000	.945737	04/15/18	100.270000	50,000,000.00	49,827,380.00	50,135,000.00	307,620.00	472,868.67
2516	FED FARM CREDIT	.750000	.818121	04/18/18	100.122000	50,000,000.00	49,939,391.30	50,061,000.00	121,608.70	409,060.27
2381	US TREASURY NOTE	.625000	.924096	04/30/18	100.066000	50,000,000.00	49,729,916.82	50,033,000.00	303,083.18	462,047.79
2393	US TREASURY NOTE	1.000000	1.040797	05/15/18	100.750000	50,000,000.00	49,962,382.24	50,375,000.00	412,617.76	520,398.33
1577	Freddie Mac Callab	.950000	1.036413	05/22/15C	100.170000	23,800,000.00	23,762,227.61	23,840,460.00	78,232.39	246,666.22
1578	Freddie Mac Callab	1.125000	1.137421	11/25/13C	100.036000	41,250,000.00	41,240,581.12	41,264,850.00	24,268.88	469,186.13
2222	PNC BANK NA	1.600000	1.622972	05/02/18C	101.005000	30,000,000.00	29,987,162.38	30,301,500.00	314,337.62	486,891.58
2394	US TREASURY NOTE	1.125000	1.068586	06/15/18	101.004000	50,000,000.00	50,054,142.34	50,502,000.00	447,857.66	534,292.76
2592	FREDDIE MAC CALLAB	1.060000	1.060000	09/22/16C	100.053000	50,000,000.00	50,000,000.00	50,026,500.00	26,500.00	530,000.00
2598	FREDDIE MAC CALLAB	1.000000	1.000000	12/29/16C	100.115000	50,000,000.00	50,000,000.00	50,057,500.00	57,500.00	500,000.00
2269	TORONTO DOMINION B	1.750000	1.784038	07/23/18	101.024000	35,000,000.00	34,976,225.52	35,358,400.00	382,174.48	624,413.27
2324	TORONTO DOM BANK	1.750000	1.759103	07/23/18	101.024000	14,529,000.00	14,526,268.56	14,677,776.96	151,508.40	255,580.07
2277	ROYAL BK CANADA	1.800000	1.804127	07/30/18	101.089000	25,000,000.00	24,997,922.43	25,272,250.00	274,327.57	451,031.81
2279	BANK OF MONTREAL	1.800000	1.847154	07/31/18	101.229000	20,000,000.00	19,981,000.00	20,245,800.00	264,800.00	369,430.83
1725	US TREASURY NOTE	1.500000	1.520113	12/31/18	102.063000	50,000,000.00	49,975,683.61	51,031,500.00	1,055,816.39	760,056.29
2445	BANK NOVA SCOTIA	1.950000	1.991060	01/15/19	101.482000	30,000,000.00	29,969,772.26	30,444,600.00	474,827.74	597,318.06
2522	US Treasury Note	1.125000	.885685	01/15/19	101.121000	50,000,000.00	50,299,378.11	50,560,500.00	261,121.89	442,842.52
2451	TORONTO DOM BANK	1.950000	1.980013	01/22/19	101.514000	35,000,000.00	34,974,023.05	35,529,900.00	555,876.95	693,004.59
2540	FANNIE MAE	1.000000	1.041990	02/26/19	100.492000	100,000,000.00	99,890,241.78	100,492,000.00	601,758.22	1,041,989.97

KING COUNTY TREASURY OPERATIONS  
SEATTLE, WASHINGTON

P O R T F O L I O   D E T A I L   F I N A N C I A L   A N A L Y S I S  
AS OF 6/30/16

(MANFIN)

PAGE: 4

SORTING ORDER: MATD

RUN: 07/05/16 10:15:10

\*\* FIXED INCOME \*\*

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
2521	Royal BK Canada	1.625000	1.643864	04/15/19	100.742000	40,000,000.00	39,979,547.03	40,296,800.00	317,252.97	657,545.73
2532	US Treasury Note	1.500000	1.008230	05/31/19	102.258000	50,000,000.00	50,703,703.70	51,129,000.00	425,296.30	504,114.78
2565	PNC BANK NA CALLAB	2.400000	1.830387	09/18/19C	102.686000	15,000,000.00	15,271,493.56	15,402,900.00	131,406.44	274,558.12
2568	PNC BANK NA CALLAB	2.400000	1.832954	09/18/19C	102.686000	5,000,000.00	5,090,087.52	5,134,300.00	44,212.48	91,647.70
2002	US BANK NA OHIO CA	2.125000	2.144078	09/28/19C	102.503000	25,000,000.00	24,985,041.05	25,625,750.00	640,708.95	536,019.57
2121	US BANK NA OHIO CA	2.125000	2.005089	09/28/19C	102.503000	20,000,000.00	20,075,041.29	20,500,600.00	425,558.71	401,017.89
2490	US Treasury Note	1.500000	1.432685	05/31/20	102.328000	100,000,000.00	100,254,236.43	102,328,000.00	2,073,763.57	1,432,685.42
695	FNR 2003-30 LB	5.000000	4.634180	03/25/32	108.494000	1,329,494.24	1,357,371.34	1,442,421.48	85,050.14	61,611.16
701	FNR 2003-33 PT	4.500000	4.255767	05/25/33	109.666000	1,802,240.00	1,828,898.44	1,976,444.52	147,546.08	76,699.13
702	FNR 2003-33 UP	4.500000	4.255767	05/25/33	108.862000	1,285,618.23	1,304,634.89	1,399,549.72	94,914.83	54,712.92
703	FNR 2003-33 PU	4.500000	4.255767	05/25/33	110.321000	1,697,428.80	1,722,536.89	1,872,620.43	150,083.54	72,238.61
G R A N D   T O T A L S		.782546	.816506	APR 2017	100.314430	6,214,644,240.77	6,215,032,921.69	6,234,090,488.75	19,057,567.06	50,727,689.61
=====										

## Victoria Recovery Status as of 6/30/2016

Original Cost	\$51,937,149
---------------	--------------

Original Par	\$53,300,000	
--------------	--------------	--

Less Accrued not distributed	\$420,537	
------------------------------	-----------	--

Adjusted Par	\$52,879,463
--------------	--------------

<b>Recovered to date</b>	<b>\$43,527,546</b>	<b>82.3%</b>
--------------------------	---------------------	--------------

Current Par Amount Outstanding	\$9,351,917
--------------------------------	-------------

Current Cost Outstanding	\$8,409,602
--------------------------	-------------

### Cash Receipts:

	2008	\$7,990,692.29
	2009	\$6,910,588.46
	2010	\$5,443,668.21
	2011	\$7,793,105.01
	2012	\$4,820,226.87
	2013	\$3,388,703.17
	2014	\$3,696,981.20
	2015	\$2,778,796.49
	2016	\$704,784.61
	Total	\$43,527,546.31

**Impaired Pool  
Holdings Report  
6/30/2016**

Commercial Paper Issuer	Status	Current Book Value	Estimated Fair Value	Fair Value Adjustment
Cheyne Finance (1)	Restructured - Cash Out	787,502.14	507,750.00	279,752.14
Rhinebridge (1)	Restructured - Cash Out	84,407.60	84,407.60	-
Victoria Finance (VFNC Trust) (2)	Restructured - Receiving Monthly Cash Payments	9,351,916.69	5,138,073.00	4,213,843.69
<b>Total</b>		<b>10,223,826.43</b>	<b>5,730,230.60</b>	<b>4,493,595.83</b>

<b>Fair Value Ratio</b>	<b>0.5605</b>
-------------------------	---------------

(1) After consulting with the County's financial advisor, the County choose to select the "cash out" option for the Cheyne and Rhinebridge restructurings. However, the Receivers for these programs held back a portion of the cash for various indemnifications. The fair values shown on this report represent the County's potential cash recovery from the amounts being retained by the Receivers. Rhinebridge may make one last small payment later this year.

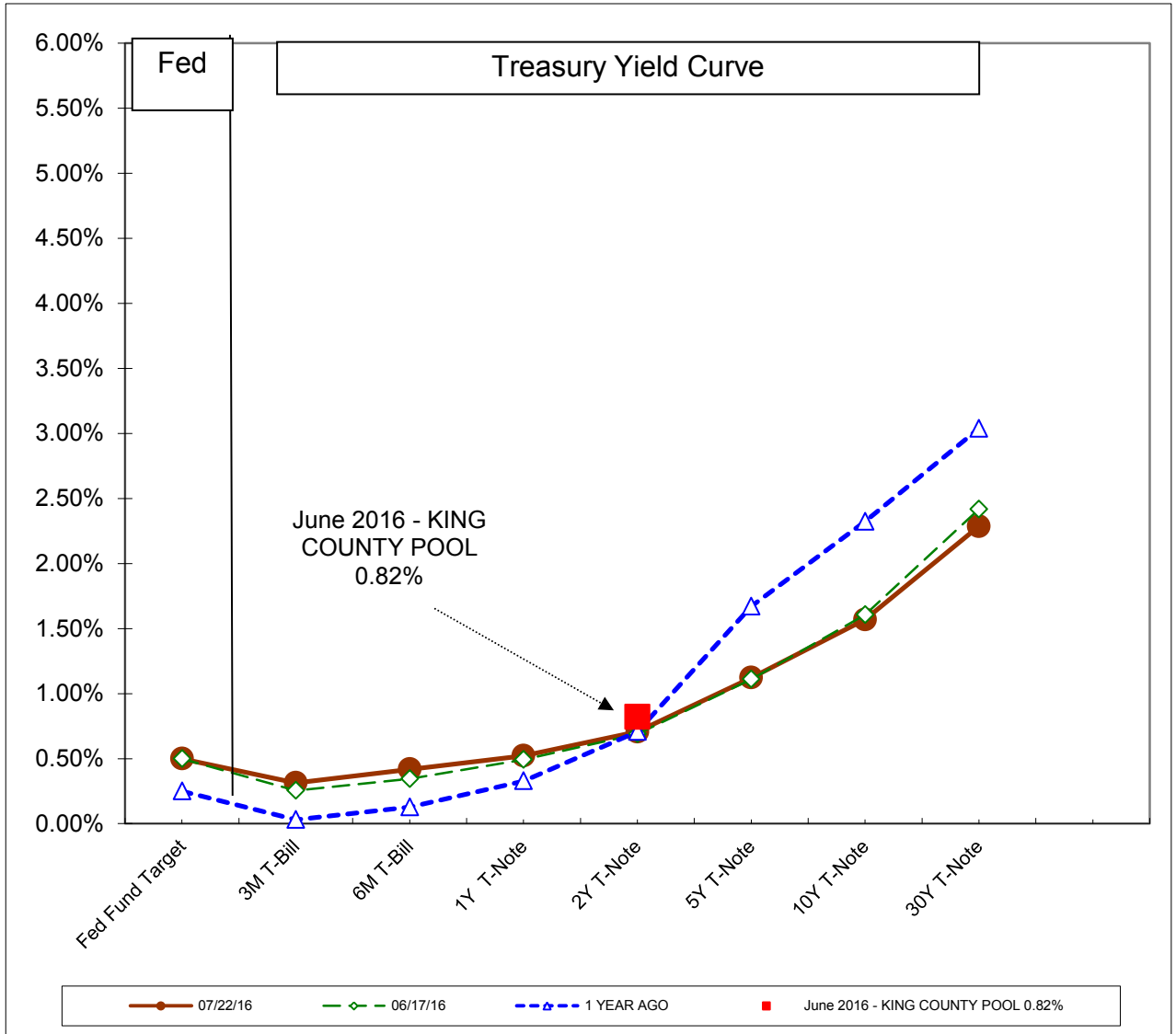
(2) During September 2009, the County completed the restructuring process for Victoria. Based on consultations with legal and financial experts, the County elected to participate in an "Exchange Offer" in which the County's pro rata share of assets in Victoria were transferred to a new company titled VFNC Trust. At the time of Victoria's restructuring the County's financial advisor estimated that by participating in the exchange offer that the overall recovery rate could be between 50 to 76 percent, and potentially higher. The VFNC Trust investment replaced Victoria in the "impaired pool" and it continues to make monthly cash distributions. It is expected that future monthly distributions will continue for at least 5 or 6 more years, or as long as the underlying securities continue to make cash payments. We do not foresee distributing any realized losses related to Victoria until it is apparent that no further cash flows will be forthcoming. Adding the cash recoveries through June and assuming that the asset could be sold at the assumed prices for the underlying securities, the current estimated total recovery would be approximately 92% of the original investment's adjusted par amount.

**Combined Earnings History for Impaired and Non-Impaired Pools**

	(A)	(B)	(A) + (B)
	<i>Distributed Realized Gains/Losses Resulting from Impaired Investments Purchased in 2007 <sup>(3)</sup></i>	<i>Total Pool Earnings Distribution</i>	<i>Net Pool Earnings Distributed</i>
YTD 2016	\$189,049	\$22,990,975	<b>\$23,180,024</b>
2015	(\$427,263)	\$33,344,087	<b>\$32,916,824</b>
2014	\$0	\$26,330,761	<b>\$26,330,761</b>
2013	\$0	\$24,331,721	<b>\$24,331,721</b>
2012	(\$1,204,894)	\$25,978,721	<b>\$24,773,827</b>
2011	\$0	\$29,270,651	<b>\$29,270,651</b>
2010	\$0	\$42,160,462	<b>\$42,160,462</b>
2009	\$0	\$71,036,470	<b>\$71,036,470</b>
2008	(\$73,296,907)	\$135,838,883	<b>\$62,541,976</b>
2007	\$0	\$199,099,971	<b>\$199,099,971</b>
2006	\$0	\$165,576,358	<b>\$165,576,358</b>

(3) Figures have not been adjusted for recoveries from legal settlements.

# INTEREST RATE SUMMARY



	07/22/16	06/17/16	1 YEAR AGO
Fed Fund Target	0.50%	0.50%	0.25%
3M T-Bill	0.31%	0.25%	0.03%
6M T-Bill	0.42%	0.35%	0.13%
1Y T-Note	0.52%	0.49%	0.33%
2Y T-Note	0.71%	0.69%	0.71%
5Y T-Note	1.12%	1.11%	1.67%
10Y T-Note	1.57%	1.61%	2.32%
30Y T-Note	2.29%	2.42%	3.04%

## King County Executive Finance Committee

### Interfund Borrowing Report for EFC, July 27, 2016 (June-2016)

Below is a summary of the causes of the current deficit cash balances.

**Funds listed in Black have a description of the cause of the deficit; funds listed in Blue have an EFC-approved loan in place.**

**Items in Green have not yet been analyzed or needs to be revisited; items in Red appear unusual in nature and should be discussed during today's meeting.**

Interest on Interfund Loans - County Tier 2 Funds Paying Interest						
Item #	Fund No.	AVG Borrowed		Fund Name	Description	
APPRV'D	A1	00-000-180-0	(19,065,232.07)	PUBLIC HEALTH	APPROVED INTERFUND LOAN IN PLACE	
Pooled Tier 1 Funds with Negative Cash Balances						
Item #	Fund No.	Lowest Cash	Average Cash	Fund Name	Description	
C	B1	00-000-121-0	(1,067,457.80)	(278,885.43)	SHARED SERVICES FUND	Pending transfer from 121-1
F	B2	00-000-134-6	(61,251.25)	11,236.84	DPER GENERAL PUBLIC SERVICES	Timing difference betw revenue and expenditures
F	B3	00-000-139-6	(574,333.16)	(574,316.98)	RISK ABATEMENT	Pending \$600K next omnibus budget ordinance
F	B4	00-000-141-5	(45,855.75)	(24,064.98)	PARKING FACILITIES	Timing difference between usage charges and rev collection
A	B5	00-000-156-1	(2,095,209.98)	(1,311,560.47)	KC FLD CNTRL OPR CONTRACT	Reimbursement from District has long approval process
F	B6	00-000-331-0	(2,224,352.05)	(1,588,760.18)	LONG-TERM LEASES	Timing diff disbursement and receipt - cash positive June end
APPRV'D	B7	00-000-336-1	(3,296,579.97)	(3,121,737.63)	PS EMERG RADIO NETWORK CAPI	APPROVED INTERFUND LOAN IN PLACE - LEVY FUNDED IN 2016
D	B8	00-000-349-0	(326,928.28)	(145,538.25)	FMD-PARKS FACILITY REHAB	Pending REET collections + error correction of 121K.
B	B9	00-000-352-2	(1,320,522.58)	(1,308,223.76)	OS KC NON BND FND SUBFUND	Funded by reimbursible grants billed quarterly or annually
F	B10	00-000-361-2	(1,150.28)	(1,150.28)	WTD INTERNALLY FINANCED	Pending transfer from WTD Operating fund
APPRV'D	B11	00-000-395-1	(2,536,407.73)	(2,140,476.77)	BLDG RPR & REPLACEMENT	APPROVED INTERFUND LOAN IN PLACE - LEVY FUNDED IN 2016
B	B12	00-000-404-1	(29,040.64)	(9,184.85)	CONSTRUCTION AND DEMO PRG	Carryover timing difference deficit, cash positive end of June
Excluded County Funds with Negative Cash Balances - Tier 2 Funds Not Paying Interest						
Item #	Fund No.	Lowest Cash	Average Cash	Fund Name	Description	
B	C1	00-000-216-9	(157,781.97)	(156,334.78)	WA ARCHIVES LOC REC GRANT	Pending grant reimbursement
B	C2	00-000-246-0	(2,302,491.16)	(2,154,440.10)	FED HOUSNG & COMM DEV FMD	Pending grant reimbursement
F	C3	00-000-554-0	(31,431,738.18)	(2,789,387.95)	PAYROLL REVOLVING	Timing difference; ended positive in June
F	C4	00-000-667-0	(8,539.97)	(1,707.97)	DEBT SERVICE CLEARING FND	Timing difference within the month - cash zero at June end
D	C5	00-000-699-0	(37,282.42)	(2,525.61)	ASSMT DISTRIBTN / REFUND	Timing difference - pending special distribution

A: Reimbursement funds - reimbursements are collected periodically from other

B: Reimbursement funds - pay expenditures first, get reimbursed later, internal

C: Subfund cash transfers - different subfunds within one Agency

D: Known accounting or cash transfer error

E: Anticipated seasonality of receipts

F: Timing issue of receipts and disbursements

A: Reimbursement funds - reimbursements are collected periodically from other  
 B: Reimbursement funds - pay expenditures first, get reimbursed later, internal  
 C: Subfund cash transfers - different subfunds within one Agency  
 D: Known accounting or cash transfer error  
 E: Anticipated seasonality of receipts  
 F: Timing issue of receipts and disbursements

Thanks - if you have questions please contact me at [manny.cristobal@kingcounty.gov](mailto:manny.cristobal@kingcounty.gov)

**Interfund Loans to District & Non-District Funds  
June 2016**

**District Interfund**

District	District Descriptions	Average Borrowed	Average Cash Balance	Total Borrowed	
62108880	FED WAY SD 210 COP	(\$0.03)	(\$0.03)	(\$0.90)	<= Corrected
64048400	SKYKOMISH SCH LTD GO BOND	(\$0.01)	(\$0.01)	(\$0.30)	<=Contacting district
64148400	LAKE WA SD414 LTD GO BOND	(\$425.00)	(\$127.50)	(\$3,825.00)	<= Corrected
64158400	KENT SD #415 LT TAX GO	(\$175,673.29)	(\$93,691.49)	(\$2,810,772.70)	<= Corrected
70210010	AUBURN GEN TAX REG FUND	(\$974.84)	\$149,865.21	(\$974.84)	<= Non-District Fund
70350010	BEAUX ARTS GEN TAX REG FD	(\$2,499.16)	(\$1,471.74)	(\$62,479.07)	<= Non-District Fund
70360010	BELLEVUE GEN TAX REG FUND	(\$61,263.47)	\$994,938.70	(\$673,898.17)	<= Non-District Fund
70450010	BOTHELL GENERAL TAX REG C	(\$126.26)	\$47,418.88	(\$631.31)	<= Non-District Fund
70450020	BOTHELL LIFT REV	(\$21.01)	(\$8.33)	(\$294.08)	<= Non-District Fund
70454010	BOTHELL DRAINAGE UTILITY	(\$9,001.32)	\$498.79	(\$9,001.32)	<= Non-District Fund
70458510	BOTHELL G O BOND FUND	(\$56.41)	\$63.98	(\$282.06)	<= Non-District Fund
70530010	BURIEN GENERAL	(\$1,540.72)	\$54,859.96	(\$6,162.86)	<= Non-District Fund
70534010	BURIEN DRAINAGE UTILITY	(\$17,443.05)	\$966.89	(\$17,443.05)	<= Non-District Fund
70720010	CLYDE HILL GEN TAX REG T	(\$16.67)	\$36,318.81	(\$116.69)	<= Non-District Fund
70800010	COVINGTON GENERAL TAX	(\$403.70)	\$18,474.43	(\$3,633.30)	<= Non-District Fund
70804010	COVINGTON DRAINAGE UTILIT	(\$10,697.57)	\$751.68	(\$10,697.57)	<= Non-District Fund
70950010	DES MOINES GEN TAX REG C	(\$255.70)	\$35,487.97	(\$1,022.82)	<= Non-District Fund
70954010	DES MOINES DRAINAGE UTILI	(\$4,587.93)	\$410.53	(\$18,351.73)	<= Non-District Fund
71350010	ENUMCLAW GEN TAX REG C	(\$246.02)	\$14,044.54	(\$1,722.14)	<= Non-District Fund
71640020	FEDERAL WAY LIFT REV	(\$0.53)	(\$0.18)	(\$9.58)	<= Non-District Fund
71644010	FED WAY DRAINAGE UTILITY	(\$22,229.71)	\$820.62	(\$22,229.71)	<= Non-District Fund
72320010	HUNTS POINT GEN TAX REG T	(\$24.42)	\$11,977.57	(\$341.88)	<= Non-District Fund
72600010	ISSAQUAH GEN TAX REG C	(\$171.24)	\$148,383.06	(\$856.22)	<= Non-District Fund
72608510	ISSAQUAH G O BOND FUND	(\$26.87)	\$461.42	(\$188.09)	<= Non-District Fund
72800010	CITY OF KENMORE	(\$665.92)	\$54,688.07	(\$6,659.18)	<= Non-District Fund
72804010	CITY OF KENMORE DRAINAGE	(\$4,811.56)	\$255.43	(\$9,623.11)	<= Non-District Fund
73090010	KIRKLAND GEN TAX REG C	(\$145.54)	\$348,103.29	(\$145.54)	<= Non-District Fund
73094010	KIRKLAND DRAINAGE UTILITY	(\$50,745.43)	\$2,503.68	(\$50,745.43)	<= Non-District Fund
73098510	KIRKLAND G O BOND FUND	(\$100.68)	\$167.93	(\$302.04)	<= Non-District Fund
73310010	LAKE FOREST PK GN TX RG C	(\$3,812.14)	\$20,967.30	(\$49,557.88)	<= Non-District Fund
73314010	LAKE FRST DRAINAGE UTLY	(\$639.58)	\$1,597.07	(\$7,033.41)	<= Non-District Fund
73500010	MAPLE VALLEY GENERAL TAX	(\$303.26)	\$49,376.41	(\$1,516.28)	<= Non-District Fund
73504010	MAPLE VALLEY DRAIN UTILIT	(\$6,830.31)	\$25.17	(\$6,830.31)	<= Non-District Fund
73854010	NEWCASTLE DRAINAGE UTILITY	(\$4,500.66)	\$71.04	(\$4,500.66)	<= Non-District Fund
74050010	NORMANDY PARK GN TX RG C	(\$297.00)	\$15,864.79	(\$3,267.00)	<= Non-District Fund
74054010	NORMANDY PARK DRAIN UTIL	(\$2,793.02)	\$125.71	(\$2,793.02)	<= Non-District Fund
74060010	NORTH BEND GEN TAX REG T	(\$490.52)	\$17,967.28	(\$3,433.61)	<= Non-District Fund
75200010	RENTON GEN TAX REG C	(\$1,860.50)	\$148,936.96	(\$5,581.50)	<= Non-District Fund
75304010	SAMMAMISH DRAINAGE UTIL	(\$23,819.87)	\$778.88	(\$23,819.87)	<= Non-District Fund
75420010	SEATAC GEN TAX REG	(\$486.03)	\$35,967.51	(\$1,458.09)	<= Non-District Fund
75424010	SEA-TAC DRAINAGE UTILITY	(\$6,433.63)	\$975.26	(\$12,867.26)	<= Non-District Fund
75454010	SEATTLE DRAINAGE UTILITY	(\$555,507.33)	\$34,668.51	(\$555,507.33)	<= Non-District Fund
75484010	SHORELINE DRAINAGE UTILIT	(\$21,442.58)	\$1,443.24	(\$21,442.58)	<= Non-District Fund
75548510	CT OF SNOQUALMIE GO BD	(\$35.58)	\$83.64	(\$71.15)	<= Non-District Fund
75910010	TUKWILA GEN TAX REG C	(\$1,233.67)	\$43,635.09	(\$17,271.43)	<= Non-District Fund
76510010	WOODINVILLE GENERAL	(\$622.96)	\$25,198.15	(\$6,229.63)	<= Non-District Fund
76514010	WOODINVILLE DRAINAGE UTIL	(\$6,094.92)	\$884.49	(\$6,094.92)	<= Non-District Fund
77214010	YARROW POINT DRAINAGE UTIL	(\$197.29)	(\$3.96)	(\$197.29)	<= Non-District Fund
91043020	WATER 104 CIP 2012	(\$0.04)	(\$0.04)	(\$1.20)	<= Contacting district
100118400	FD #11 LTD GO BOND	(\$19,926.25)	(\$19,926.25)	(\$597,787.50)	<= Corrected
140028400	HOSPT DIST 2 LTD GO BOND	(\$3,896,880.99)	(\$3,896,880.99)	(\$116,906,429.70)	<= In process of correcting
<b>Report Total:</b>		<b>(\$4,918,362.19)</b>	<b>(\$1,692,082.58)</b>	<b>(\$121,946,104.31)</b>	

**DEFINITIONS**

**Total Borrowed**

Sum of all daily ending negative cash balances for a fund in a particular month.

**Average Borrowed**

Total borrowed by a fund divided by the number of days in a particular month that the fund had a negative ending balance.

**Average Cash Balance**

Sum of all ending cash balances (positive & negative) for an entire month divided by the number of days in that month.

**Interfund Borrowings from Surplus King County Cash (Automated System)**  
06/30/16

Borrowing Entity	Borrowing Fund Number	Fund Name	Reason For Loan & Repayment Method	Loan Amount Authorized	Fund Balance at Month-end	Average Amount Borrowed	Interest Paid in Current Month	Term of Loan	Loan Rate	Lending Entity	Date of EFC Approval
King County	00-000-1030	County Road Fund	Interim funding to continue operating programs. Repayment from property tax collections.	Original Loan: \$20,000,000 Revised Amt: \$35,000,000 Revised Amt: \$30,000,000 Revised Amt: \$25,000,000	\$27,634,572	\$0	\$0	1/31/2011 12/31/2011 12/31/2013 12/31/2014 12/31/2016	Pool Rate	King County Surplus Cash	7/28/2010 1/26/11 12/7/11 12/5/12 12/4/13 12/3/14
King County	00-000-1341	DPER Abatement Sub-Fund	Clean-up construction materials at processing center on MLK Way South. Repayment from sale of property	Original Loan: \$400,000	\$145,952	\$0	\$0	12/31/2018	Pool Rate	King County Surplus Cash	6/24/2015
King County	00-000-1800	Public Health Fund	Unmatched reimbursements. Repayment from grant billings, grantor payments, and environmental health permit payments.	Original Loan: \$12,000,000 Revised Amt: \$19,000,000 Revised Amt: \$26,000,000 Revised Amt: \$30,000,000 Revised Amt: \$40,000,000	(\$21,444,047)	\$19,065,232	\$12,849	7/31/2013 10/31/2013 4/30/14 1/31/2015 1/28/2015 12/31/16	Pool Rate	King County Surplus Cash	5/22/13 7/24/13 12/4/13 5/28/14 12/26/14 1/28/15 12/2/15
King County	00-000-3361	PSERN Levey Fund	Interim funding until levy revenue is sufficient.	Original Loan: \$30,000,000	(\$3,296,580)	\$2,881,972	\$1,846	7/31/2016	Pool Rate	King County Surplus Cash	4/22/2015 7/22/15
King County	00-000-3781	KCIT Capital Fund	Fill gap for Mainframe and Unified Communication project not fully covered by bond proceeds.	Original Loan: \$5,200,000	\$5,936,658	\$0	\$0	12/31/2019	Pool Rate	King County Surplus Cash	6/25/2014
King County	00-000-3850	Road Facilities Construction	Advance payments required for Summit Pit sale. Repayment from Summit Pit property sale proceeds.	Original Loan: \$5,000,000 Revised Amt: \$7,000,000 Revised Amt: \$10,000,000 Revised Amt: \$4,000,000	\$10,064,816	\$0	\$0	1/31/2011 12/31/2011 12/31/2012 12/31/2014 12/31/2016	Pool Rate	King County Surplus Cash	7/28/2010 1/26/11 12/7/11 12/5/12 2/27/13 12/4/13 12/3/14
King County	00-000-3860	Road's Capital Construction	Provide uninterrupted funding for capital improvement program. Repayment from property tax receipts and Seattle South Park Bridge project.	Original Loan: \$30,000,000 Revised Amt: \$15,000,000 Revised Amt: \$20,000,000	\$19,475,749	\$0	\$0	1/31/2011 12/31/2011 12/31/2012 12/31/2014 12/31/2016	Pool Rate	King County Surplus Cash	7/28/2010 1/26/11 12/7/11 12/5/12 12/3/14
King County	00-000-3951	Building Repair & Replacement Fund	Support Phase 2 of King Street Center work space consolidation. Repayment from lease payments.	Original Loan: \$2,275,600 Revised Amt: \$4,976,000	(\$3,302,169)	\$3,121,738	\$2,092	12/31/2020	Pool Rate	King County Surplus Cash	5/27/2015 1/27/16
King County	00-000-5531	KCIT Services Fund	Establish an escrow account for data center bond defeasance. Repayment from existing KCIT rates.	Original Loan: \$8,100,000	\$14,390,828	\$0	\$0	12/31/2023	Pool Rate	King County Surplus Cash	2/24/2016

**Interfund Borrowings (Direct Loans)**  
06/30/16

Borrowing Entity	Borrowing Fund Number	Fund Name	Reason For Loan & Repayment Method	Loan Amount Authorized	Loan Outstanding at Month-end	Fund Balance At Month-end	Interest Paid	Term of Loan	Loan Rate	Lending Entity	Date of EFC Approval
King County	00-000-2140	Miscellaneous Grants Fund	Cash flow. Future grant reimbursement.	\$700,000	\$300,000	\$3,330,234	\$0	Open	0%	King County General Fund	11/26/1975
King County	00-000-3160	Parks and Recreation Open Space Construction Fund	Borrowing is necessary to fulfill the legislative intent of Ordinance 17759 - a use agreement with the Ravensdale Park Foundation. Repayment from REET II revenue.	\$1,475,000	\$475,000	\$190,974	N/A	12/31/2017	Pool Rate	Parks and Recreation Fund (1451)	3/26/2014
King County	00-000-3781	KCIT Enterprise Services CIP fund	Cover the Institutional Network equipment replacement. Repayment from the I-Net operating revenue and Public Educational and Government fees collected in I-Net operating fund (4531).	\$1,520,000	\$0	\$8,196,637	N/A	2/28/2017	Pool Rate	KCIT Radio Communications CIP Fund (3473)	1/25/2012